



***United States Attorney
District of New Jersey***

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**RETIREE PLEADS GUILTY TO DEFRAUDING FEDERAL HEALTH INSURANCE
PLAN WITH FAKE CLAIMS FOR OVERSEAS TREATMENT**

NEWARK, N.J. – A retired federal employee pleaded guilty today in connection with an eight-year scheme in which he was reimbursed for fake claims for overseas medical treatment, United States Attorney Paul J. Fishman announced.

Fawzi Saleh, 70, of East Brunswick, N.J. in Middlesex County, pleaded guilty to a count of defrauding a health care benefits program before United States Magistrate Judge Patty Shwartz in Newark federal court. Judge Shwartz will recommend to United States District Judge Faith S. Hochberg that Saleh's plea of guilty be accepted and entered.

According to the Information to which Saleh pleaded guilty, other documents filed in this case and statements made in court:

From July 1995 until his retirement in January 2008, Saleh was employed at the Veterans Administration Medical Center in East Orange, N.J. He began his employment as a Program Support Clerk, and held the position of Financial Accounts Technician when he retired. Saleh and his wife subscribed to the Federal Employees Health Benefits Program ("FEHBP"), a health care benefits program offered to federal employees and their families. Under the program, they received health insurance coverage from Blue Cross Blue Shield ("BCBS").

Saleh admitted that from June 2001 through June 2009, he submitted numerous false claims to FEHBP for medical expenses that he and his wife had purportedly incurred while in Egypt. In those claims, Saleh alleged that he and his wife had received medical care at a hospital in Cairo on numerous occasions between June 2000 and October 2008, when they had not.

The fraudulent claims alleged, among other things, that Saleh had a right inguinal hernia repair and other medical procedures at "MIS Hospital" – a hospital which does not actually exist, according to the government's investigation.

Saleh attached false and fraudulent supporting documents to his claims that purported to be invoices and reports from the hospital in Egypt where he had allegedly paid for treatment in cash. He then received checks from BCBS that reimbursed him tens of thousands of dollars for portions of the purported expenses.

The count to which Saleh pleaded guilty carries a maximum statutory penalty of 10 years in prison and a fine of \$250,000, or twice the gross gain or loss from the offense.

Judge Shwartz released the defendant on a \$100,000 secured bond pending sentencing, which is scheduled for January 6, 2011, before Judge Hochberg.

U.S. Attorney Fishman credited special agents with the Federal Bureau of Investigation, under the direction of Special Agent in Charge Michael B. Ward, in Newark; the Office of Personnel Management, Office of the Inspector General, under the direction of Special Agent in Charge Drew Grimm; and the U.S. Department of Veterans Affairs, Office of Inspector General, under the direction of Special Agent in Charge Jeffrey Hughes, for their investigation of the case.

The government is represented by Assistant U.S. Attorney Christine Magdo, of the U.S. Attorney's Office Economic Crimes Unit in Newark.

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Defense counsel: Robert Thuring, Esq., Spotswood, N.J.